



House Bill No. 7120

Public Act No. 17-139

AN ACT CONCERNING POSTSECONDARY CAREER SCHOOLS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subdivision (1) of section 10a-22a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(1) "Private occupational school" means a postsecondary career school operated by a person, board, association, partnership, corporation, limited liability company or other entity offering or advertising vocational instruction in any form or manner in any trade, industrial, commercial, service, professional or other occupation for any remuneration, consideration, reward or [promise] fee of whatever nature, including, but not limited to, a hospital-based occupational school, or any program, school or entity offering postsecondary instruction in barbering or hairdressing. [, except "private occupational school" shall] "Private occupational school" does not include (A) instruction offered under public supervision and control, [;] (B) instruction conducted by a firm or organization solely for the training of its own employees or members, [; or] (C) instruction offered by a school authorized by the General Assembly to confer degrees, or (D) instruction offered in the arts or recreation, including, but not limited to, the training of students to provide such instruction;

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Sec. 2. Subsection (c) of section 10a-22b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(c) Each person, board, association, partnership, corporation, limited liability company or other entity which seeks to offer occupational instruction shall submit to the executive director, or the executive director's designee, in such manner as the executive director, or the executive director's designee, prescribes, an application for a certificate of authorization which includes, but need not be limited to, (1) the proposed name of the school; (2) ownership and organization of the school including the names and addresses of all principals, officers, members and directors; (3) names and addresses of all stockholders of the school, except for applicants which are listed on a national securities exchange; (4) addresses of any building or premises on which the school will be located; (5) description of the occupational instruction to be offered; (6) the proposed student enrollment agreement, which includes for each program of occupational instruction offered a description, in plain language, of any requirements for employment in such occupation or barriers to such employment pursuant to state law or regulations; (7) the proposed school catalog, which includes for each program of occupational instruction offered a description of any requirements for employment in such occupation or barriers to such employment pursuant to state law or regulations; (8) financial statements detailing the financial condition of the school pursuant to subsection (d) of this section and subsection (g) of section 10a-22d, as amended by this act, prepared by management and reviewed or audited, or, for a nonaccredited school [offering instruction in barbering or hairdressing and] annually enrolling fewer than ten students, compiled, by an independent licensed certified public accountant or independent licensed public accountant; and (9) an agent for service of process. Each application for initial authorization shall be accompanied by a nonrefundable

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application fee made payable to the private occupational school student protection account in the amount of two thousand dollars for the private occupational school and two hundred dollars for each branch of a private occupational school in this state.

Sec. 3. Subsection (i) of section 10a-22b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(i) Any program, school or other entity offering postsecondary career instruction in any form or manner in barbering or hairdressing for any remuneration, consideration, reward or [promise] fee shall obtain a certificate of authorization from the executive director of the Office of Higher Education for the occupational instruction offered. Each program, school or entity approved on or before July 1, 2013, by the Connecticut Examining Board for Barbers, Hairdressers and Cosmeticians pursuant to chapter 368 or 387 that submits an application for initial authorization shall pay an application fee of five hundred dollars made payable to the private occupational school student protection account. The executive director of the Office of Higher Education shall develop a process for prioritizing the authorization of such barber and hairdressing programs, schools and entities. Such programs, schools and entities shall be in compliance with this section on or before July 1, 2015, or when required pursuant to the executive director's process, whichever is earlier. No person, board, association, partnership corporation, limited liability company or other entity shall establish a new program, school or other entity that offers instruction in any form or manner in barbering or hairdressing on or after July 1, 2013, unless such person, board, association, partnership, corporation, limited liability company or other entity first receives from the executive director of the Office of Higher Education a certificate authorizing the barbering or hairdressing occupational instruction to be offered in accordance with

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the provisions of this section.

Sec. 4. Subsection (g) of section 10a-22d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(g) Each private occupational school shall keep financial records in conformity with generally accepted accounting principles. An annual financial statement detailing the financial status of the school shall be prepared by school management and reviewed or audited, or, for a nonaccredited school [offering instruction in barbering or hairdressing and] annually enrolling fewer than ten students, compiled, by a licensed certified public accountant or licensed public accountant in accordance with standards established by the American Institute of Certified Public Accountants. A copy of such financial statement shall be filed with the executive director on or before the last day of the fourth month following the end of the school's fiscal year, except in the case of a nationally accredited school recognized by the United States Department of Education, in which case such financial statement shall be due on or before the last day of the sixth month following the end of the school's fiscal year. Only audited financial statements shall be accepted from a nationally accredited school. Upon a nonaccredited school's written request, the executive director may authorize, for good cause shown, a filing extension for a period not to exceed sixty days. No filing extensions shall be granted to a nationally accredited school.

Sec. 5. Section 10a-22n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(a) A private occupational school shall maintain, preserve and protect, in a manner approved by the executive director, or the executive director's designee, all school records including, but not limited to: (1) Student or academic transcripts, including, in a separate file, a duplicate copy of the academic transcript of each student who

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graduated from such school, and a duplicate copy of the academic transcript of each student enrolled at such school that contains the student's name, address, program of study, length of such program of study, grade point average and courses completed; (2) attendance records or other indicators of student progress; (3) copies of individual enrollment agreements or contracts; (4) evidence of tuition payments; and (5) any other documentation as prescribed by the executive director.

(b) The executive director, or the executive director's designee, may at any time during regular business or school hours, with or without notice, visit a private occupational school. During such visitation, the executive director, or the executive director's designee, may request an officer or director of the school to produce, and shall be provided with immediate access to, such records or information as are required to verify that the school continues to meet the conditions of authorization. If the executive director determines that such private occupational school has not maintained, preserved or protected school records in accordance with this section, the executive director may assess an administrative penalty on such private occupational school pursuant to section 10a-22i.

(c) If a school ceases to operate as a private occupational school, it shall (1) immediately transmit all student or academic transcripts, described in subdivision (1) of subsection (a) of this section, to the executive director, and (2) keep the executive director advised in writing as to the location and availability of all other student records or shall file all such other student records with the executive director.

(d) The executive director shall maintain all records, files and other documents associated with private occupational schools in a manner consistent with the mission and responsibilities of the Office of Higher Education.

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Sec. 6. Section 10a-22v of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

Any student enrolled in a private occupational school authorized in accordance with the provisions of sections 10a-22a to 10a-22o, inclusive, as amended by this act, who is unable to complete [a] an approved course or unit of instruction at such school because of the insolvency or cessation of operation of the school and who has paid tuition for such course or unit of instruction, may, not later than two years after the date on which such school became insolvent or ceased operations, make application to the executive director for a refund of tuition from the account established pursuant to section 10a-22u to the extent that such account exists or has reached the level necessary to pay outstanding approved claims, except that in the case of distance learning and correspondence schools authorized in accordance with the provisions of sections 10a-22a to 10a-22o, inclusive, as amended by this act, only Connecticut residents enrolled in such schools may be eligible for such refund. Upon such application, the executive director shall determine whether the applicant is unable to complete a course or unit of instruction because of the insolvency or cessation of operation of the school to which tuition has been paid. The executive director may summon by subpoena any person, records or documents pertinent to the making of a determination regarding insolvency or cessation of operation. For the purpose of making any tuition refund pursuant to this section, a school shall be deemed to have ceased operation whenever it has failed to complete a course or unit of instruction for which the student has paid a tuition fee and, as a result, the school's authorization has been revoked pursuant to section 10a-22f. If the executive director finds that the applicant is entitled to a refund of tuition because of the insolvency or cessation of operation of the school, the executive director shall determine the amount of an appropriate refund which shall be equal to [or a portion of] the tuition paid for the uncompleted course or unit of instruction. Thereafter the

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executive director shall direct the State Treasurer to pay, per order of the Comptroller, the refund to the applicant or persons, agencies or organizations indicated by the applicant who have paid tuition on the student's behalf. If the student is a minor, payment shall be made to the student's parent, parents or legal guardian. In no event shall a refund be made from the student protection account for any financial aid provided to or on behalf of any student in accordance with the provisions of Title IV, Part B of the Higher Education Act of 1965, as amended from time to time. Each recipient of a tuition refund made in accordance with the provisions of this section shall assign all rights to the state of any action against the school or its owner or owners for tuition amounts reimbursed pursuant to this section. Upon such assignment, the state may take appropriate action against the school or its owner or owners in order to reimburse the student protection account for any expenses or claims that are paid from the account and to reimburse the state for the reasonable and necessary expenses in undertaking such action. Any student who falsifies information on an application for tuition reimbursement shall lose his or her right to any refund from the account.

Approved June 27, 2017